

Kent Ries, Attorney at Law
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COUNSEL FOR TRUSTEE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

IN RE:

MCCLAIN FEED YARD, INC., et al.,¹

Debtors.

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§

CASE NO. 23-20084-RLJ-7

Jointly Administered

**MOTION FOR APPROVAL OF EMPLOYMENT
OF SPECIAL COUNSEL FOR TRUSTEE**

TO THE HONORABLE ROBERT L. JONES, BANKRUPTCY JUDGE:

COMES NOW, Kent Ries, Trustee (“Trustee”) of the referenced Chapter 7 bankruptcy estates, and files this Motion for Approval of Employment of Special Counsel for Trustee, and in support thereof would respectfully show unto the Court as follows:

1. Debtors filed for relief under Chapter 7 of the United States Bankruptcy Code on April 28, 2023. Kent Ries was subsequently appointed and qualified to serve as the Trustee over the bankruptcy estate.

2. Trustee asserts it is necessary to employ special counsel, pursuant to 11 U.S.C. § 327, to perform necessary legal services in obtaining and investigating records and information of the Debtors and investigating and pursuing litigation claims of the Debtors’ bankruptcy estates. These cases pose substantial challenges recreating financial records of the Debtors and

¹ The Debtors in these Chapter 7 cases are: McClain Feed Yard, Inc. (Case No. 23-20084-RLJ), McClain Farms, Inc. (Case No. 23-20085-RLJ), and 7M Cattle Feeders, Inc. (Case No. 23-20086-RLJ)

reviewing such information for potential litigation against numerous parties in Texas, Kentucky, and likely other states where the Debtors' conducted business. The Debtors' records were not kept within the norms of expected business practices. Further, it appears that the Debtors engaged in massive Ponzi and check kiting schemes, well into the nine figures range. The Trustee has spent considerable time investigating professionals that have prior experience in similar cases and have current capabilities to provide the Trustee with a litigation plan to identify and recover potential claims of the estate.

3. Previously this Court approved the Trustee's motion to hire as special counsel the law firm of Quilling, Selander, Lownds, Winslett & Moser, 2001 Bryan Street, Suite 1800, Dallas, TX 75201 (the "Quilling Firm"). The Trustee's main contact at such firm has been Hudson Jobe. Mr. Jobe has now left the Quilling Firm and has established a new law firm.

4. Trustee now desires that he be authorized to employ the law firm of Jobe Law PLLC, 6060 North Central Expressway, Suite 500, Dallas, TX 75206 (the "Jobe Firm"), with Hudson Jobe as the primary counsel, and to pay the firm such compensation and reimbursement of expenses as is allowed pursuant to 11 U.S.C. § 330 and Rule 2016 of the Federal Rules of Bankruptcy Procedure. Hudson Jobe's declaration as required by 11 U.S.C. § 327 is attached hereto as Exhibit A and incorporated herein by reference for all purposes. As set forth in the declaration, prior to these Chapter 7 filings, Hudson Jobe discussed with the Debtors' CRO a possible representation of the Debtors in filing Chapter 11 bankruptcy cases but was never formally retained and the Debtors chose not to move forward on Chapter 11 filings. Trustee and

Mr. Jobe believe that these communications do not present any conflict issues with Mr. Jobe's engagement as special counsel given the specific authorization for same under section 327(e).²

5. The normal rate for legal services provided by Hudson Jobe is \$525.00 per hour, plus out-of-pocket expenses. Although it is planned for Hudson Jobe to be the primary counsel regarding the Ponzi scheme in this matter, it is likely other attorneys or paralegals of the Jobe Firm may also work on this matter under the direction of the Trustee. The range of fees for such professionals is outlined in the engagement letter attached hereto as Exhibit B and incorporated herein for all purposes.

6. Due to the change in law firms, the Trustee is acutely aware of the potential for duplicative time spent in the transition. Moreso, the Trustee is concurrently filing a motion to hire an additional law firm to work with the Jobe Firm on matters beyond their expertise, particularly in the areas of professional responsibility, and lender liability including check kiting. This firm is also expected to continue and enhance the data review and organization that has previously been done by Hudson Jobe and the Trustee's forensic accountants. Again, the Trustee is acutely aware of the potential for duplicative time with multiple professionals getting up to speed on all the case litigation management matters.

7. The professionals proposed in these two motions recognize the issues described immediately above, as well as the need to do substantial discovery in the next few months while litigation is being prepared and pursued as warranted. The professionals and the Trustee have negotiated significant discounts to the standard fees charged by both firms from July 1, 2024,

² The trustee, with the court's approval, may employ, for a specified special purpose, other than to represent the trustee in conducting the case, an attorney that has represented the debtor, if in the best interest of the estate, and if such attorney does not represent or hold any interest adverse to the debtor or to the estate with respect to the matter on which such attorney is to be employed.

through December 1, 2024. Those discounts are described in the various engagement letters attached to the motions.

8. As set forth in the engagement letter, it is anticipated that a substantial amount of fees and expenses in this engagement will be individual tasks or expenses that benefit more than one of the Debtor's bankruptcy estates. For those fees and expenses, the firm will utilize a single billing invoice, and all three Debtors' estates will be jointly and severally liable for those fees and expenses. For fees and expenses that are clearly relevant to only one of the Debtor's estates, the firm will bill those fees and expenses on a separate invoice for that particular Debtor's estate, and only the specific Debtor's estate will be responsible for this separate invoice. However, the firm reserves the right to seek Bankruptcy Court approval of payment of separate fees and expenses from other Debtor's estates in the event such fees and expenses have benefited other Debtor's estates.

WHEREFORE, PREMISES CONSIDERED, Kent Ries, Trustee herein, respectfully prays for an Order of this Court approving the employment the Jobe Firm to perform professional legal services in these cases, and for such other relief, at law or in equity, to which the Trustee may show himself justly entitled.

Respectfully submitted,

Kent Ries, Attorney at Law
PO Box 3100
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(806) 242-7437
(806) 242-7440-Fax

By: /s/ Kent Ries
Kent Ries
State Bar No. 1691450

COUNSEL FOR TRUSTEE

CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of August 2024, a true and correct copy of the above and foregoing Motion was sent via ECF or mailed by the 14th day of August 2024, in the United States mail, postage prepaid, to the parties listed below and on the attached mailing matrix.

/s/ Kent Ries
Kent Ries

EXHIBIT "A"

THE STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
DALLAS COUNTY §

DECLARATION OF HUDSON JOBE

1. I am a resident of Dallas, Dallas County, Texas; am over the age of 21 years and am of sound mind and have never been convicted of an offense.
2. I am an attorney admitted to practice in the State of Texas, and possess all of the qualifications of an attorney in the State of Texas.
3. I have reviewed the *Motion* by the Trustee for approval to retain my firm as special counsel in these Chapter 7 bankruptcy cases. I am an attorney admitted to practice with extensive knowledge and experience in the type of litigation at issue in the Motion and am in all respects qualified to render the necessary legal services requested by the Trustee.
4. Prior to the Debtors' chapter 7 filings, I discussed a possible representation of the Debtors to file Chapter 11 bankruptcy cases with the Debtors' CRO, Glenn Karlberg. I was never formally retained and the Debtors chose not to move forward on Chapter 11 filings.
5. I have run a conflict search for my firm of the parties set forth on the attached conflict list, which was compiled from the matrix in the Debtors' bankruptcy cases.
6. Except as set forth above, based upon this search and my current understanding of the parties in these bankruptcy cases, I am not aware of any prior or current representations of my law firm of any of these parties. Accordingly, to the best of my knowledge and belief, Jobe Law PLLC is disinterested and has no connection with the Debtor, creditors of the estate, any party in the United States Trustee's office or any other parties. Similarly, to the best of my knowledge and belief, Jobe Law PLLC does not have an interest adverse to the Estate.

Dated: August 8, 2024

Hudson M. Jobe

CONFLICT LIST

Brian McClain
Rabo AgriFinance
Mechanics Bank
MAP Enterprises
Wild Horse Cattle Co.
(Kentucky entities)
Community First Bank in
Kentucky
2B Farms
AJ Jacques Living Trust
Arnold Braun
Arnold Braun Trust
Dr. Arnold Braun
Buss Family Trust
Caterpillar Financial
Services Corporation
First Kentucky Bank
Gene Brookshire Family,
LP
Gray Brothers
Gungoll Cattle LLC
Jordan Lesh, LLC
Lesh Family Trust
Morrison Café LLC
Northland Capital
Financial Services LLC
Scarlet and Black Cattle
LLC
Scott Livestock Company
Inc.
Steve T. Scott Farms, Inc.
W. Robbie Russell Living
Trust
Acey Livestock LLC
Ag Texas Farm Credit
Services
AgTexas, PCA
Angela Powell
Bar D Ranch Land &
Cattle LLC
Big Seven Capital Partners
LLC
Bo Robinson
Bryan Blackman

C Heart Ranch LLC
Cactus Feeders Finance
LLC
Cactus Operating LLC
Caleb Little
Carl Pickett
Carraway Cattle
Chelsea Waters McClain
Kentucky Department of
Agriculture
Cody L. Simmons
Colton Long
Community Financial
Services Bank
Cory Don Priest
Crystal McClain
Curtis Jones
Curtis Jones Farms LLC
David Rainey
Death Creek Farms LLC
Don Jones
Don Jones Farm Inc.
Don Jones Trucking Inc.
Douglas Pritchett
Dwight Jesko
Eric Dejarnatt
First Capital Bank of
Texas
First Kentucky Bank
Friona Industries, L.P.
Frontier Farm Credit
Garwood Cattle Company
LLC
Hines Cattle Company
LLC
Hines Farms LLC
J. Brent Burnett
Jake Rininger
Jared Lesh Cowhorses Inc.
Jared Wayne Lesh
Jed Goad
JLE Trucking, Inc.
Jimmy D. Greer
John Dale Tidwell

Jordan Robert Lesh
Jordan and Jan Lesh
Julie Whitlock
Justin Stuever
Keeling Cattle Feeders,
Inc.
Keith Harris Farms, Inc.
Kenneth Netardus
Kinsey Jones
Lazy J Arena, LLC
Lazy J Cattle
Lesh Family Trust
Lesh Trucking
Lyndal Van Buskirk
Meagan B. Goad
Meagan B. Powell
Michael Gourley
Mykel Linn Tidwell
Oklahoma AgCredit
Open A Arena LLC
Patty Priest
Priest Cattle Company,
Ltd.
Priest Cattle and Land
Company, Inc.
Priest Victory Investment
LLC
Producers Credit
Corporation
Rapp Ranch
Rick Rodgers
Riley Livestock
Robert Braun
Samuel S. Brown
Shaw & Shaw Farms
Partnership, LLC
Sherman Trucking
Stanley Ayers
TGF Ranch
Takeuchi Financial
Services
Terry Burnett
Thorlakson Feedyards
Tom Thorlakson

WJ Performance Horses,
Inc.
Wildforest Cattle
Company LLC
Amy Sutton
Charles Lockwood
Colby Van Buskirk
Cole Lockwood
Craig Sutton
Don Hines
Dennis Buss
Dora Blackman
Douglas Finley

Dustin Johnson
Eddie Bryant
Eddie Stewart
Gary Lesh
Janet Van Buskirk
Janice Lawhon
Joel Brookshire
Leah Gungoll
Michael Evans
Miranda Evans
Nikki Lockwood
Robert Spring
Robert Gray

Robert & Rachel Steward
Ronnie Gray
Sherle Lockwood
Steve Ryan
Steven Hines
Susan Van Buskirk
Wiley Russell, Jr.
Wiley Roby Russell, Jr.
BJM Sales & Service
Heartland Co-Op
Purina Animal Nutrition
LLC